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ADOPTION NOTICE

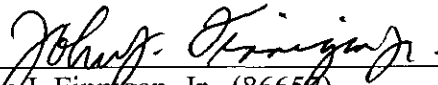
**PUBLIC SERVICE
COMMISSION**

Effective April 1, 2006, the undersigned Duke Energy Kentucky, Inc. (a/k/a "Duke Energy Kentucky") of 139 East Fourth Street, Cincinnati, Ohio 45202 hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and administrative regulations for furnishing natural gas service in Boone, Campbell, Gallatin, Grant, Kenton and Pendleton Counties and furnishing electric service in Boone, Campbell, Grant, Kenton and Pendleton Counties in the Commonwealth of Kentucky, filed with the Public Service Commission by The Union Light, Heat and Power Company of 139 East Fourth Street, Cincinnati, Ohio 45202, and in effect on the 3rd day of April, 2006, the date on which the public service business of the said The Union Light, Heat and Power Company will be taken over by it.

This notice is issued on the 9th day of March, 2006, in conformity with Section 10 of P.S.C. Tariff administrative regulations adopted by the Public Service Commission.

By:

DUKE ENERGY KENTUCKY, INC.



John J. Finnigan, Jr. (86654)
Senior Counsel
Cinergy Services, Inc.
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(513) 287-3601

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/3/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 

Executive Director

KY. P.S.C. Gas No. 1
Canceling ULH&P Tariff Ky.P.S.C. No. 5

DUKE ENERGY KENTUCKY
1697-A MONMOUTH STREET
NEWPORT, KENTUCKY 41071

Rates, Rules and Regulations for Furnishing
GAS SERVICE

in

Incorporated Cities and Unincorporated Territory
in Boone, Campbell, Gallatin, Grant, Kenton,
and Pendleton Counties

Filed with the
KENTUCKY PUBLIC SERVICE COMMISSION

Issued:

Issued by
DUKE ENERGY KENTUCKY

Effective: April 3, 2006

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OF KENTUCKY
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By 
Executive Director

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20	Service Regulations	Set of rules and regulations of the Company for providing gas service as approved by the Kentucky Public Service Commission.
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60	Optional Rider Designation	Riders necessary to determine total amount of monthly bill to customers under special circumstances.
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80	Miscellaneous	Miscellaneous periodic charges not reflected in standard service tariffs.

* To determine applicability, available tariff and Company's Service Regulations and other rules and regulations should be reviewed and discussed with the Company.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
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4/3/2006
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By  2006
Executive Director

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**PUBLIC SERVICE COMMISSION
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**PURSUANT TO 807 KAR 5:011
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Issued by authority of an Order of the Kentucky Public Service Commission dated June 27, 2006 in Case No. 2006-00287.

Issued: June 28, 2006

Issued by Sandra P. Meyer, President

By  29, 2006
Executive Director

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By  29, 2006
Executive Director

Gas Service

INDEX TO COMMUNITIES SERVED

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April 3, 2006

Executive Director

Gas Service

INDEX TO COMMUNITIES SERVED (Continued)

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SERVICE REGULATIONS

SECTION I - SERVICE AGREEMENTS

1. Application for Service.

When a prospective customer desires gas service, an oral application may be accepted by the Company. However, a written application may be required in special circumstances (e.g., the necessity of using special apparatus in providing the requested service).

2. Customers' Right to Cancel Service Agreement or to Suspend Service.

Except as otherwise provided in the Service Agreement, Rate Schedules or elsewhere in these Service Regulations, Customer may give Company ten days notice of desire to cancel the Service Agreement whenever he no longer requires any gas service for the purposes mentioned in said Agreement. Company will accept such notice as a cancellation of the Service Agreement upon being satisfied that Customer no longer requires any such service.

3. Company's Right to Cancel Service Agreement or to Suspend Service.

Company, in addition to all other legal remedies, shall terminate the Service Agreement, refuse or discontinue service to an applicant or customer, after proper notice for any of the following reasons:

- (a) Default or breach of these Service Regulations, after having made a reasonable effort to obtain customer compliance.
- (b) Non-payment of bills when due.
- (c) Theft, fraudulent representation or concealment in relation to the use of gas.
- (d) Use of gas, by the customer, in a manner detrimental to the service rendered others.
- (e) Upon the basis of a lawful order of the Kentucky Public Service Commission, the State of Kentucky or any governmental subdivision thereof having jurisdiction over the premise.
- (f) When a customer or applicant refuses or neglects to provide reasonable access to the premise.

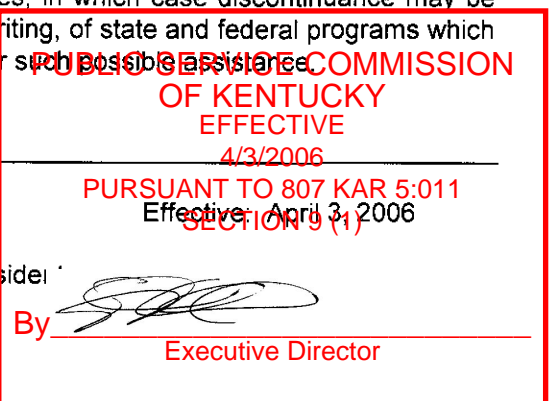
When a dangerous condition is found to exist on the customer's or applicant's premises, the gas service shall be disconnected without notice, or application for service refused. The Company shall notify the customer or applicant within 24 hours of such action, in writing, of the reasons for the discontinuance or refusal of service and the corrective action to be taken by the applicant or customer before service can be restored.

If discontinuance is for non-payment of bills, the customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty-seven (27) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the termination date, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

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SECTION I - SERVICE AGREEMENTS (Contd.)

Whenever a residential customer receiving both gas and electric service has received a termination of service notice, the customer shall be given the option to pay for and continue receipt of one utility service only. The Company shall offer extended payment arrangements for the service designated by the customer. If both the gas and electric service of a residential customer have been previously discontinued for non-payment, the Company shall reconnect either service upon payment by the customer of the total amount owed on the service designated by the customer to be reconnected, except as provided in 807 KAR 5:006, section 15, winter hardship reconnection.

4. CONNECTION OF SERVICE.

Except as provided in Section 15 of the Kentucky Public Service Commission's regulations, the Company shall reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours, when the cause for discontinuance or refusal of service has been corrected and the Company's tariffed rules and Commission's regulations have been met.

5. Change of Address of Customer.

When Customer changes his address he should give notice thereof to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.

If Customer moves to an address at which he requires gas service for any purposes specified in his Service Agreement, and at which address Company has such service available under the same Rate Schedule, the notice is considered as Customer's request that Company transfer such service to the new address, but if Company does not have such service available at the new address the old Service Agreement is considered cancelled. If Company does have service available at the new address to which a different Rate Schedule applies, a new Service Agreement including the applicable Rate Schedule is offered to Customer. Company makes transfer of service as promptly as reasonably possible after receipt of notice.

6. Successors and Assigns.

The benefits and obligations of the Service Agreement shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof; provided that no assignment hereof shall be made by Customer without first obtaining Company's written consent.

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By



Executive Director

SECTION II - SUPPLYING AND TAKING OF SERVICE

1. Character of Service.

The Company by its present franchise requirements has agreed to furnish natural gas of the kind and quality produced in the natural gas fields from which its supply is procured (subject, however, to the removal of oil and gasoline vapors); except as said natural gas may be supplemented with manufactured gas, provided, however, that the heat unit quality of the gas supplied by the Company will, at no time, be less than 800 British Thermal Units (**B.T.U.**) to the cubic foot, as furnished at the point of consumption.

At present the Company is distributing gas of approximately 1030 B.T.U. per cubic foot, at a pressure of 4 ounces, subject to tolerance allowed by the Kentucky Public Service Commission.

2. Supplying of Service.

Service is supplied only under and pursuant to these Service Regulations and any modifications or additions hereto lawfully made, and such applicable Rate Schedules and Riders as may from time to time be lawfully fixed. Service is supplied under a given Rate Schedule only at such points of delivery as are adjacent to facilities of Company adequate and suitable, for the service desired; otherwise, special agreements between Customer and Company may be required.

Notwithstanding the provisions of 807 KAR 5:006, Section 15, Winter Hardship Reconnection to the contrary, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a present or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

3. Information Relative to Service.

Information relative to the service that will be supplied at a given location should be obtained from Company. Company will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. Such information must be confirmed in writing.

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SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)

4. Continuity of Service.

The Company shall make reasonable provision to supply satisfactory and continuous service, but does not guarantee a constant or uninterrupted supply of gas and shall not be liable for any damage or claim of damage attributable to any interruption caused by unavoidable accident or casualty, extraordinary action of the elements, action of any governmental authority, litigation, or by any cause which the Company could not have reasonably foreseen and made provision against.

5. Suspension of Service for Repairs and Changes.

When necessary to make repairs to or changes in Company's plant, transmission or distribution system, or other property, Company may, without incurring any liability therefor, suspend service for such periods as may be reasonably necessary, and in such manner as not to inconvenience Customer unnecessarily.

6. Use of Service.

Service is supplied directly to Customer through Company's own meter and is to be used by Customer only for the purposes specified in and in accordance with the provisions of the Service Agreement and applicable Rate Schedule. Service is for Customer's use only and under no circumstances may Customer or Customer's agent or any other individual, association or corporation install meters for the purpose of reselling or otherwise disposing of service supplied Customer.

Customer will not install pipes under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter even though such adjacent property be owned by Customer. Consent may be given when such adjacent properties are operated as one integral unit under the same name and for carrying on parts of the same business.

In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

7. Customer's Responsibility.

Customer assumes all responsibility on Customer's side of the point of delivery (outlet side of the meter) for the service supplied or taken, as well as for the installation, appliances and apparatus used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

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SECTION II - SUPPLYING AND TAKING OF SERVICE (Contd.)

The customer's house lines, fittings, valve connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and tests demonstrate compliance with such requirements of the Company with respect to the facilities as they exist at the time of the test.

8. Right-of-Way.

Customer is responsible for all conveyances to Company for all right-of-way satisfactory to it across the property owned or controlled by Customer for Company's mains or extensions thereof necessary or incidental to the supplying of service to Customer.

9. Access to Premises.

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of inspecting the Customer's installation and of examining, repairing or removing the Company's meters, or other property, reading of meters and all other purposes incident to the supplying of service, and for such purpose the Customer authorizes and requests his landlord, if any, to permit such access to the premises.

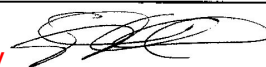
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SECTION III - CUSTOMER'S INSTALLATION

1. Nature and Use of Installation.

All equipment in the premises or connecting the premises with Company's service, furnished by the Customer, shall be suitable for the purposes thereof, and shall be maintained by Customer at all times in conformity with the safety requirements of the accredited agency having jurisdiction and with the rules, regulations and requirements of Company in force from time to time.

2. Materials - Fittings - Tests.

The piping and fittings for the distribution of gas after it has passed the meter, may be installed by any competent gas fitter employed by the customer or proprietor of the premises, subject, however, to the inspection and approval of the Company which requires an inspection and test of all such piping.

An application for inspection and test must be made to the Company when the piping work has been completed, but prior to its concealment by plastering, flooring or other materials.

3. Construction.

All piping shall be installed in accordance with applicable building codes and the rules and regulations of the Company.

4. Changes in Installations.

As Company's facilities used in supplying service to Customer have a limited capacity, Customer should give notice to Company, and obtain Company's consent, before making any material changes or increases in his installation. Company as promptly as possible after receipt of such notice will give its written approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase.

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SECTION IV - COMPANY'S INSTALLATION

1. Installation and Maintenance.

Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters and service regulators on Customer's side of the point of delivery without cost to Customer. Only Company's agents are authorized to connect Company's service to Customer's service piping.

2. Gas Service Piping.

The gas service pipe shall be installed by the Company from the Company's main in the street to the curb line at its own expense and from the curb line to the meter, including curb box and valve, at the Customer's expense, subject to the Company's rules, regulations and existing prices, upon execution of an application and provided that an adequate distribution main exists in front of the Customer's building. The service piping from the curb to the meter, including street box and valve, installed at the expense of the Customer, shall be maintained at the expense of the Company. No connections or work of any kind shall be done on a gas main or service piping up to the outlet of the meter by anyone who is not a qualified agent or employee of the Company.

Only one gas service will be installed in any individual dwelling or building, except in cases where the building's units are sectionalized by acceptable fire separations such as firewalls, regardless of the number of customers to be served within.

The service pipe will be laid from the point of the gas supply connection location to the meter location approved by the Company. Should the distance between the curb and the Customer's building be in excess of 150 feet or involve other special conditions, a suitable meter location, approved by the Company, will be selected.

Service pipe can be installed in the same ditch as the electric, telephone, and cable television cable, providing the electric cable is in a conduit and the gas service pipe has six inches of separation from the cables. Any other utilities will not occupy the ditch with the service pipe, and a minimum of three feet will be maintained between gas service pipe and other utilities.

Service piping will end at the inlet connection of the meter which will be set at the point and entry of the service. If it is necessary to extend the service pipe beyond the point of entry, such exposed service piping in the building under flooring, through walls, coal bins, etc., shall be properly protected and the expense thereof borne by the customer.

In case of more than one building on a lot, a separate service will be run direct from the main to each building except in cases where the building nearest the Company's main extends the full width of the lot. In such cases the meter will be placed on the service in the nearest building and the customer must make his own extension to the other building.

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SECTION IV - COMPANY'S INSTALLATION (Contd.)

3. Company's Property and Protection Thereof.

All meters and equipment furnished by and at the expense of Company, which may at any time be in said premises, shall, unless otherwise expressly provided herein, be and remain the property of Company, and Customer shall protect such property from loss or damage, and no one who is not an agent of Company shall be permitted to remove or handle same.

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SECTION V - METERING

1. Installation of Meters.

Gas will be measured by a meter or meters to be installed by Company upon Customer's premises at a point most convenient for Company's service, and upon the registration of said meters all bills will be calculated.

2. Meter Tests.

All meter tests shall be made in accordance with rules issued by the Kentucky Public Service Commission.

Upon written request by customer, the Company shall perform a meter test if the request is not made more frequently than once a year.

3. Monitoring of Customer Usage.

Each month the Company will monitor the usage of each customer according to the following procedure:

1. The customer's monthly usage is monitored through a "hi-lo" review process. An estimating factor is utilized to provide an expected level of usage. The estimating factor considers the customer's past usage and current variables, such as weather.
2. The actual usage is compared to an estimate based on the previous month's usage, an estimate based on the usage from the same month, one year previous, and an estimate based on the usage from the same month, two years previous.
3. If there is a substantial difference between the actual and estimated usages, the account will be reviewed manually to determine the appropriate usage level.
4. Where the difference is not otherwise explained, the Company may obtain a special meter read to verify the accuracy of the previous usage.
5. Where the difference is still unexplainable after taking the special meter read, the Company may test the customer's meter to determine its accuracy.
6. The Company will notify the customer of the investigation, its findings, and any refund or back billing to be made, in accordance with 807 KAR 5:006, Section 10 (4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate the usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

Issued by authority of the Kentucky Public Service Commission.

Issued: S

Issued by Sandra P. Meyer, President

By



Executive Director

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/3/2006

PURSUANT TO 807 KAR 5:011
Effective: April 3, 2006
SECTION 9 (1)

SECTION VI - BILLING AND PAYMENT

1. Billing Periods - Time and Place for Payment of Bills.

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Bills may be rendered by hand delivery, mail, electronically, or by any other reasonable means. If bills are rendered electronically then a charge not to exceed \$0.25 per usage may be assessed. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

The word "month" as it pertains to the supply of service shall mean the period of approximately thirty days between meter readings, as fixed and made by Company. Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option but no less than quarterly. Company shall have the right to establish billing districts for the purpose of reading meters and rendering bills to customers at various dates. A change or revision of any Rate Schedule shall be applicable to all bills on which the initial monthly meter reading is taken on or after the effective date of such change or revision, except as otherwise ordered by the Kentucky Public Service Commission.

Bills are due on the date indicated thereon as being the last date for payment of the net amount, and bills are payable only at the Company's offices or authorized agencies for collection. If a partial payment is made, the amount will be applied to items of indebtedness in the same order as they have accrued, except that any payment received shall first be applied to the bill for service rendered.

The Company may issue interim bills based on average normal usage instead of determining actual usage by reading the meter. Interim bills may also be used when access to Company's meter cannot be obtained or emergency conditions exist.

2. Information on Customer Bills.

Every bill rendered by the Company for metered service will clearly state:

- (a) The beginning and ending meter readings for the billing period and the dates thereof.
- (b) The amount of energy usage.
- (c) The amount due for the energy used, any adjustments, including assessed late payment charges, and the gross amount of the bill.
- (d) The rate code under which the customer is billed.
- (e) The date of the last day payment can be made without a late pay charge being assessed.
- (f) Any previous balance.
- (g) The address, phone number, and business hours of the Company.
- (h) The date of the next scheduled meter reading.
- (i) The date after which received payments are not reflected in the bill.
- (j) The type of service rendered (gas or electric).
- (k) The amount, and identification, of any tax or fee the Company is authorized either by state law or order of the Commission to collect.

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SECTION 9 (1)

By 
Executive Director April 3, 2006

SECTION VI - BILLING AND PAYMENT (Contd.)

3. Charge for Restoring Service for Non-Payment of Bill and Unlawful Use of Service.

Company may charge and collect in advance the sum as specified on Tariff Sheet "Charge For Reconnection of Service" for reconnecting a customer's service after service is disconnected because of non-payment of bill when due or when service is discontinued because of fraudulent use, except as may be provided by 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

4. Temporary Discontinuance of Service.

If any residential customer, because of absence or otherwise, shall notify Company in writing or by telephone to discontinue service, Company will make no minimum charge for any full meter reading period during the period of discontinuance; provided however, that Company may charge and collect the sum as specified on Tariff Sheet "Charge For Reconnection of Service" prior to reconnecting a service which was discontinued at customer's request within the preceding twelve months.

5. Availability of Budget Billing.

Company has available to its customers a "Budget Billing Plan" which minimizes billing amount fluctuations over a twelve month period. The Company may exercise discretion as to the availability of such a plan to a customer based on reasonable criteria, including but not limited to:

- (a) Customer's recent payment history.
- (b) The amount of the delinquent account.
- (c) Customer's payment performance in respect to any prior arrangements or plans.
- (d) Any other relevant factors concerning the circumstances of the customer including health and age.

If the customer fails to pay bills as rendered under the Budget Payment Plan, the Company reserves the right to revoke the plan, restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts customer from the provisions of these terms and conditions.

6. Partial Payment Plans.

The Company shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice according to the regulations governing failure to pay, except the Company shall not be required to negotiate a partial payment plan with a customer who is delinquent under a previous payment plan.

7. Bill Format

The Company has included as Appendix A to these Service Regulations an example of the Company's customer bill format.

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SECTION 9 (1)

By 
Executive Director April 3, 2006

SECTION VII - DEPOSITS

1. Deposits.

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill.

The deposit may be waived by the Company upon a customer's showing of satisfactory credit or payment history, and required residential service deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period; but commercial deposits will be retained during the entire time that the account remains active. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, information such as the following may be considered:

1. Previous payment history with the Company. If the customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has filed bankruptcy proceedings within the last seven years.
3. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

A security deposit will be required pursuant to 11 U.S.C. Section 366 in all bankruptcies where the Company is listed as a creditor.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

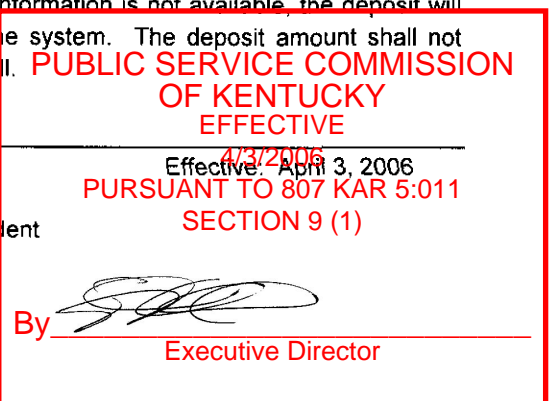
2. All Calculated Deposits.

Customer deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill.

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SECTION VIII - APPLICATION

1. Application of Service Regulations and Rate Schedules.

All Service Agreements at present in effect or that may be entered into in the future are made expressly subject to these Service Regulations and any modifications hereof that may be lawfully made, and subject to all applicable existing Rate Schedules and any lawfully made changes therein, substitutions therefor or additions thereto.

2. Agents Cannot Modify Agreement.

No agent has the right to amend, modify or alter the application rates, terms, conditions, rules, or regulations as filed with the Kentucky Public Service Commission, or to make any promise or representation not contained in the Company's schedules, supplements thereto and revisions thereof, lawfully filed with said Commission.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

EFFECTIVE

Effective: ~~4/1/2006~~ **4/1/2006**

**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By



Executive Director

SECTION IX - GAS SPACE HEATING REGULATIONS

1. Gas Space Heating Regulations.

The Company shall not be required to supply gas for new or additional space heating equipment installed from and after the effective date hereof unless the consumer present or prospective, makes written application to the Company for such supply at a specific address and receives written approval from the Company therefor. An approval for the use of gas for space heating is not transferable from one premise to another except by written approval from the Company.

If any consumer fails to install gas-fired space heating equipment pursuant to said approval within one year from the date of issuance thereof fails to demonstrate to the Company's satisfaction before the expiration of said period that he intends to avail himself of the use of such gas under such approval with due diligence, the Company may cancel, nullify and void such approval.

The Company need not issue an approval for the utilization of gas for space heating purposes in a commercial or industrial building for new or additional heating equipment having a total rated input capacity in excess of 1,000,000 Btu per hour, unless the applicant shall install standby facilities having a capacity satisfactory to the Company and shall agree in writing with the Company to use such standby facilities and discontinue the use of gas for space heating when and for such periods of time as the Company may request. In the event the use of gas for space heating by such consumer is not promptly discontinued at the request of the Company, the latter, upon discovery thereof, is authorized to discontinue all gas service to such consumer until such time as the gas space heating equipment has been disconnected. Where such action is necessary on the part of the Company it may cancel, nullify and void such approval.

Should any consumer fail to comply with these gas space heating regulations, the Company, upon discovery thereof, and after giving ten days notice to such consumer, is authorized to disconnect his gas service until such time as these regulations are complied with.

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By



Executive Director

SECTION X - AVAILABILITY OF GAS SERVICE

1. Gas Service to New Loads.

Mains shall be extended to customers in accordance with the currently effective tariff sheet entitled Rider X, Main Extension Policy, as contained within tariff Ky. P.S.C. Gas No. 1.

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SECTION 9 (1)

By



Executive Director

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Gas No. 1
Third Revised Sheet No. 30
Cancelling and Superseding
Second Revised Sheet No. 30
Page 1 of 1

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$12.10
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Plus a commodity Charge for all CCF at	\$0.26687	plus	\$0.89820	Equals	\$1.16507

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate. In addition, the EAP charge shown on
Rider DSMR shall be added to the monthly Customer Charge shown above.

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated June 27, 2006 in Case No. 2006-00287.

Issued: June 28, 2006

Issued by Sandra P. Meyer, President

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By  29, 2006
Executive Director

RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$30.00
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
Plus a Commodity Charge for all CCF at	\$0.20949	Plus	\$0.89820	Equals	\$1.10769

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated June 27, 2006 in Case No. 2006-00287.

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Effective: June 29, 2006

Executive Director

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RATE FRAS

FULL REQUIREMENTS AGGREGATION SERVICE

AVAILABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city-gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L.

DEFINITIONS

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the requirements of the two, or more, firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L, which secures its gas supply from a Supplier.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Orders" (OFOs) are orders issued by the Company via its electronic bulletin board ("EBB") or fax transmission directing Suppliers to adjust their daily deliveries into the Company's system to either match, match or be less than, or match or be more than their actual measured pool volumes for those customers receiving service under Rate FT-L, Rate IT or interruptible special contracts.

A "Pool" is a group of customers that have been joined together for supply management purposes, and having a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

"Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the individual Pools' Customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the individual Pools during the same period.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Small Commercial Customer" is a commercial class transportation end-use customer which consumes less than 2,000 Mcf per year.

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By 
Executive Director
Effective: April 3, 2006

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DEFINITIONS (Contd.)

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city-gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L pool adjusted for "unaccounted for" losses back to the Company's city-gate stations, and then converted from volumetric to thermal quantities.

AGGREGATION AGREEMENT

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.

REQUIREMENTS FOR PARTICIPATION

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources, experience, and reputation for satisfactory service that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate.

In order for the Company to complete the evaluation, Suppliers will be required to provide the following information:

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

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REQUIREMENTS FOR PARTICIPATION (Contd.)

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, Dun & Bradstreet financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's credit worthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

The Company may acquire information regarding supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

The Company reserves the right to re-evaluate Suppliers from time to time. Such re-evaluation may be initiated either by a request from the Supplier, or by the Company if it has reason to believe that the credit worthiness of a Supplier may have deteriorated or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. On the basis of this re-evaluation, a Supplier's approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.

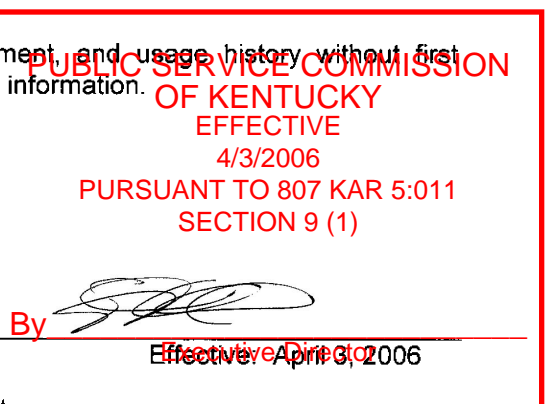
SUPPLIER CODE OF CONDUCT

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures.
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a credit-worthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

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SUPPLIER CODE OF CONDUCT (Contd.)

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.

CONSEQUENCES OF SUPPLIERS' FAILURE TO PERFORM OR COMPLY

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company will supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and other applicable charges. The Company has the right to immediately and unilaterally invoke suppliers' letter of credit or parental guarantee in order to enforce recovery from supplier of the cost of these replacement supplies.

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the Supplier's "Code of Conduct" section, the Company will have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Suppliers' Pool shall revert to the Company's sales service until said customers join another Suppliers' Pool.

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the Supplier at the fax number listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

BILLING

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event, that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its part of the bill including any arrearages that they are due from Supplier's own prior billings. To facilitate Suppliers' billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.

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By



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UPSTREAM CAPACITY REQUIREMENTS

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, during the months of December, January and February, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

BALANCING REQUIREMENT

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

Pool operators shall have access to Company offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFO's issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.

MEASUREMENT OF CONSUMED VOLUMES

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

OPERATIONAL FLOW ORDERS

Suppliers are subject to the Company's issuance of operational flow orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage.

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

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4/3/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Issued by authority of the Kentucky Public Service Commission.

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By



Effective: April 3, 2006

Issued by Sandra P. Meyer, President

OPERATIONAL FLOW ORDERS (Contd.)

Under-deliveries

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any thirty day period; and
- (3) the payment of all other penalty charges incurred by Company including pipeline penalty charges on the date of the OFO shortfall.

Over-deliveries

- (1) Over-deliveries by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.
- (2) Company shall bill and Supplier shall pay any penalty charges that the Company incurs from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.

COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

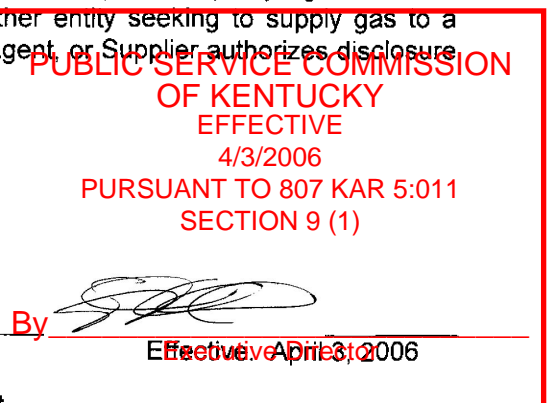
In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company; e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.
- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)

- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

OTHER RULES AND REGULATIONS

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

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RATE IT

INTERRUPTIBLE TRANSPORTATION SERVICE

APPLICABILITY

Applicable to curtailable natural gas local delivery service and available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served, and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service under Rate IMBS. Any service provided hereunder shall be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L.

This rate schedule shall not preclude the Company from entering into alternative special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city-gate receipt points to the outlet side of the meter used to serve Customer. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, and Rate FT-L, shall have the right for operational purposes to designate the city-gate receipt points where the customer's pool operator is required to deliver its gas.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas consumed is billed in units of 100 cubic feet (CCF)

Administrative Charge per month: \$430.00

Commodity Charge per CCF:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate per CCF, of \$0.07626 per CCF except as specified in the "Alternate Fuels" provision;

Plus the applicable charge per CCF as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program

Plus balancing related charges pursuant to Rates IMBS if customer has elected to operate as its own pool operator for supply management purposes.

Plus, if applicable, the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service.

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NET MONTHLY BILL (Contd.)

Plus, if applicable, charges for unauthorized deliveries as described later in this tariff.

The Company is required to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis. Customer will be responsible for the cost of such equipment either through a monthly surcharge or an up front contribution designed to reimburse the Company for the cost of such equipment. The meter shall be owned by the Company.

MINIMUM BILL

The minimum monthly bill that customer shall receive shall be the monthly Administrative Charge and monthly charge for remote metering equipment shown above, and, in addition thereto during the seven (7) consecutive billing periods beginning in April, the 10,000 CCF volume minimum. If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be billed, in addition to the Administrative Charge and metering charges, and charges for the delivered volumes, an amount equal to the difference between 10,000 CCF and the delivered volumes billed at Rate GS plus the applicable surcharge per CCF under Rider AMRP.

UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent they are paid by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator", if applicable. However, Company shall not be precluded from physically discontinuing service to the customer, if the customer refuses to interrupt service when requested by the Company.

MINIMUM USAGE

In the event that customer repeatedly and significantly fails to meet the seven (7) summer months minimum usage requirements of this tariff, Customer may at the Company's option be removed from this tariff and denied further service, or at the Company's option may be switched to either Rate GS or FT-L.

ALTERNATIVE FUELS

The Company may without prior Commission approval charge a rate lower than that specified in the "Net Monthly Bill" provision, to meet competition from alternative fuels. The decision to charge a lower rate will be made on a case-by-case basis, supported by a statement in an affidavit from the customer that absent such lower rate, customer would utilize an alternative fuel source. The lower rate shall not be less than one-half the commodity rate specified in the "Net Monthly Bill" provision, plus all applicable riders and surcharges.

The Company may also charge customer who has requested flexible rate pricing a rate higher than that specified in the "Net Monthly Bill" provision if such rate remains competitive with the price of energy from customer's alternative fuel source. The higher rate shall not exceed 150 percent of the commodity rate specified in the "Net Monthly Bill" provision, plus applicable riders and surcharges.

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ALTERNATIVE FUELS (Contd.)

Once a customer receives a flexible transportation rate, as described in the preceding paragraphs, the customer must continue to pay a flexible rate as determined by the Company for a period of three months. After three months, the customer may, upon written notification to the Company, apply for a flexible rate for another three months. Absent such notification, customer's rate will revert to the fixed rate established herein.

CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

ELECTION OF MONTHLY BALANCING OPTION

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

Monthly throughput charges under Rate IMBS, shall be billed directly to the end-use customer. All other balancing charges and supply management charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool operator, or an aggregated customers pool operator. For purposes of calculating these charges, the usage of all customers within a pool will be combined into a single pool usage number that will be matched against the pool operator's total deliveries to its IT pool.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5% is due and payable.

TERMS AND CONDITIONS

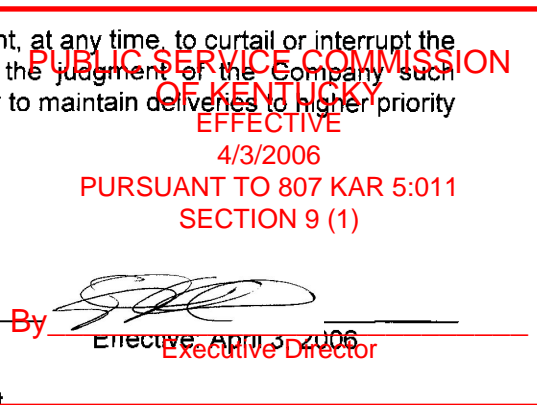
The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer.

The Company's "reasonable efforts" basis is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

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TERMS AND CONDITIONS (Contd.)

Customer acting as its own pool operator, or customer's designated pool operator/supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable the gas to be delivered into the Company's system.

At least one day preceding the day transportation nominations are due to the interstate pipeline(s) transporting customer's gas, customer's pool operator/supplier agrees to inform Company in writing or, at the Company's discretion, verbally, and confirm in writing within seven (7) days thereafter, the quantities of gas it desires to have transported for the upcoming month, along with all other necessary information. Customer's pool operator must agree upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool's gas supplies.

The Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through the Company's meters that in the aggregate do not match the amount of gas transported by the pool operator to Company's city-gate.

Customers who satisfy the definition of human needs and public welfare customers must purchase standby service from a Company supplier, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions.

On a daily basis, the Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available. In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment. Customer will also be responsible for providing the Company with access to a telephone service, or such other equipment or utilities as may be necessary at customer's metering site. Customer shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

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Executive Director

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TERMS AND CONDITIONS (Contd.)

The primary term of contract shall be one (1) year. After completion of the primary term, such contract shall continue on from month to month unless cancelled by either party upon thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year from the date that this contract was terminated at customer's request, customer shall pay the "minimum bill" charges specified in the Net Monthly Bill provision of this tariff for the number of months customer's service was inactive.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE FT - L

FIRM TRANSPORTATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any customer who: (1) enters into a written agreement with the Company; and (2) has arranged for delivery of gas into the Company's system for the customer's use at one point of delivery where distribution mains are adjacent to the premise to be served. Service provided hereunder shall be by displacement. This is a firm full requirements large volume transportation service, which is provided from the Company's city-gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory to serve the firm service requirements of customers receiving firm service in combination with service under Rate IT, and the firm service requirements of all non-residential customers who use more than 20,000 CCF per year, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service, or whose accounts fall into arrears, as defined in Rate FRAS after choosing this service. In the latter event, the customer will be returned to the Company's sales service effective with the customer's next scheduled meter reading, and will be ineligible to choose this transportation service until all arrears are paid in full. For customers receiving service under this tariff the written agreement between the Supplier and the customer may be terminated by supplier for non-payment of the customer's gas commodity portion of the bill if the account is at least 30 days past due. The Supplier shall give the Company and the customer no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company's sales service unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company's sales service but will remain with the Supplier. Customer must enter into a "pooling" agreement with a Supplier from a list of approved gas pool operators that have signed "Large Volume Customer Transportation Pooling Agreement" with the Company. Such suppliers must arrange for the delivery of gas into Company's system in accordance with Rate FRAS.

Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers, who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Kentucky Public Service Commission. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by Company in order to return customer to sales service may, as determined by the Company, have to be borne by customer.

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Executive Director

NET MONTHLY BILL

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge per Month: \$430.00

The Administration Charge hereunder will be waived when this service is used in combination with the service provided under Sheet No. 50, Rate IT, Interruptible Transportation Service.

Plus a charge per CCF for each CCF of gas transported for customer from Company's city-gate measuring stations to the outlet side of Company's meter used to measure deliveries to customer at: \$0.17713 per CCF

Plus the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service

Plus all transported gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program
Sheet No. 77, Rider GCAT, Gas Cost Adjustment Transition Rider, except as provided thereon.

Plus the cost to install remote meter reading equipment on customer's meter in order to monitor customer's usage on a daily basis.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Kentucky Public Service Commission and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

Customer and/or its Suppliers shall be responsible for the payment and collection of excise taxes, sales taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

MINIMUM BILL

The monthly minimum bill shall be the Administrative Charge and charge for remote meter reading, both as shown above.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance of the bill is due and payable.

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Executive Director

GENERAL TERMS AND CONDITIONS

1. Remote Metering

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such equipment, through a monthly charge designed to, among other things, reimburse the Company for the costs of such equipment. As a pre-requisite for receiving service under this tariff, Customer will also be responsible for providing the Company with access, on an ongoing basis, to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR) equipment, telemetry, or any other means the Company has available to help the customer, or its designated pool operator estimate the daily gas deliveries for individual customer's receiving service under Rate FT-L and for the pool's combined accounts.

2. Approved Supplier List

Company shall maintain a list of approved Suppliers from which customer can choose. Such list will include Suppliers who have signed a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier has agreed to participate in and provide gas supplies to Rate FT-L pools, and abide by Company's requirements for its pooling program. This list shall be available to any customer upon request.

3. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Customer must also enter into a written agreement with the Company, such agreement shall set forth specific arrangements as to the transportation services provided, as well as, any other circumstances relating to the individual customer. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall exercise its reasonable efforts to transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date after the telephone line and automatic meter reading equipment is installed and operative.

A customer, who terminates service under this tariff and returns to sales service, or who changes Suppliers, shall through its supplier provide Company with written or electronic notice. Requests so received shall normally be honored on customer's next regularly scheduled meter reading date. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

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GENERAL TERMS AND CONDITIONS (Contd.)

4. Access to Usage History and Current Billing Information

The "Customer Consent Form," used to initiate requests for service under this tariff, shall authorize customer's Supplier to receive customer's usage, billing, and payment history from the Company, to act on customer's behalf in making billing/usage inquiries, and in exchanging current billing information with Company, including notices of commencement or termination of service by either party.

5. Service Term

Except customers returned for non-payment or for good cause shown the primary term of contract shall be a minimum of one (1) year. Customers may not elect to move to or from the Company's sales service and transportation service, or between rate schedules during this twelve month primary term. In addition, such movements will require thirty days advance notice to the Company and the Company's specific authorization if such movements are to occur during the winter period, November through March. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice

6. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

CURTAILMENT OF SERVICE

In times of system emergencies, the Company may curtail service under this rate schedule in order to maintain service to human needs customers and customers receiving service under Rates RS, GS and in accordance with curtailment procedures on file with, and approved by, the Kentucky Public Service Commission. In the event customer fails to comply with the Company's direction to curtail, the Company reserves the right to physically discontinue service to the customer. Company shall not be liable in damages or otherwise to customer for any loss of production, other claim, or any consequences occasioned by customer as a result of such curtailment or because of the lack of advance notice to customer of such curtailment.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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RATE SSIT

SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE

AVAILABILITY

Interruptible local delivery service for natural gas to be used in commercial gas fired electric generators and available to any customer who: (1) is certified as an Exempt Wholesale Generator or Independent Power Producer with the Federal Energy Regulatory Commission; (2) signs a contract with the Company for service under this Rate SSIT; (3) arranges for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; and (4) utilizes natural gas transported under this tariff as its primary fuel source in a combustion gas turbine unit(s) or combined cycle unit(s) for the purpose of generating electricity for sale into the wholesale electric market. Service under this tariff will be provided by displacement and on a "reasonable efforts" basis. The Company reserves the right to decline requests to initiate or continue service hereunder whenever, in the Company's sole judgment, rendering service will be detrimental to the operation of the Company's system or impair its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, Rate IT, or other special contract arrangements. This tariff schedule shall not preclude the Company from entering into special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder will be interruptible local gas delivery service provided on a "reasonable efforts" basis from the Company's city gate receipt points to the outlet side of Customer's meter. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT-L, and Rate IT, as well as under interruptible special contract arrangements, shall have the right for operational reasons to designate the city gate receipt points where the customer is required to deliver gas into the Company's system.

In order to receive service under this tariff, Customer must have in place throughout the term of this agreement a gas storage/balancing service agreement with an upstream supplier under which that supplier will balance customer's hourly and daily usage with deliveries into the Company's system. The Company will install at Customer's expense metering equipment that will allow it to monitor customer's hourly and daily usage

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas delivered is billed in units of 1000 cubic feet (MCF).

Administrative Charge per month:

\$430.00

Facilities Charge per month:

Monthly amount required to amortize over the term of the contract, the incremental costs that the Company incurs in order to construct facilities to bring service to Customer, including the costs of such facilities as mains and service installations, metering and regulating equipment and telemetering and flow control equipment.

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NET MONTHLY BILL (Contd.)

Delivery Charge:

Company will deliver the arranged-for gas, less shrinkage, which is equal to the Company's system average unaccounted-for percentage, at a variable Spark Spread Rate determined as follows:

The transportation rate (\$ per MCF) shall be the greater of (Heat Rate / 1,000) x 0.0204 or (Spark Spread - 10.00) x (51.4 / Heat Rate)

Where:

Spark Spread = Electric Price - (Gas Price x Heat Rate / 1,000)

Heat Rate = Average heat rate at High Heating Value (HHV), subject to annual audit.

Electric Price = Weighted Average Index in \$/MWh for "Into Cinergy" as listed in Megawatt Daily.

Gas Price = Columbia Gas Appalachian midpoint in \$/MMBtu as listed in Gas Daily.

Examples (Heat Rate = 8000):

Electric Price \$/MWH	Gas Price \$MMBTU	Spark Spread \$/MWH	Transportation Rate \$/MCF
\$ 25.00	\$4.000	\$ (7.00)	\$0.1632
\$ 50.00	\$4.000	\$ 18.00	\$0.1632
\$ 75.00	\$4.000	\$ 43.00	\$0.2120
\$100.00	\$4.000	\$ 68.00	\$0.3727
\$125.00	\$4.000	\$ 93.00	\$0.5333
\$150.00	\$4.000	\$118.00	\$0.6939
\$175.00	\$4.000	\$143.00	\$0.8545
\$200.00	\$4.000	\$168.00	\$1.0152
\$225.00	\$4.000	\$193.00	\$1.1758

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program.

MINIMUM BILL PROVISION

Customer will be subject to a monthly "minimum bill" equal to the Monthly Administrative Charge and Facilities Charge, as noted above.

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SECTION 9 (1)

By

Effective April 3, 2006
Executive Director

UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent that they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate schedule. The charges for such unauthorized deliveries shall be billed directly to the customer. However, Company may at its sole discretion physically discontinue service to the customer if customer refuses to interrupt service when requested by Company. Further, Company may temporarily or permanently discontinue service if customer fails to operate in accordance with the Company's directives and limitations regarding service under this tariff.

CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 31, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's pipeline and supplier related demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

BALANCING

For purposes of this tariff a "pool" shall be defined as one or more customers taking service under Rate SSIT that are joined together for supply management purposes. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all Rate SSIT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities. Because of the large hourly and daily usage likely to flow under this tariff, pool operator is required to contract with the pipelines designated by the Company for hourly and daily deliveries that correspond with their actual burn of gas delivered under this tariff.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

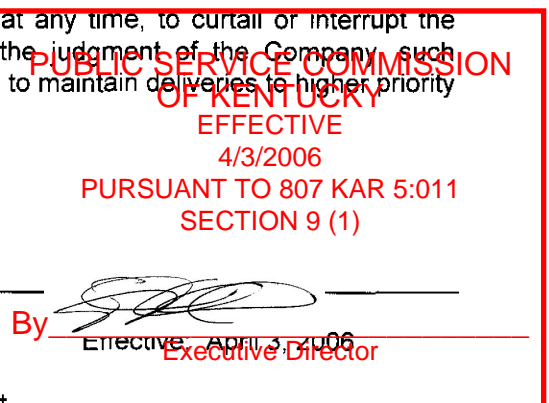
The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided as well as the level of firm gas required by customer and any other circumstances relating to the individual customer.

The Company's "reasonable efforts" is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

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TERMS AND CONDITIONS (Contd.)

Pool operator agrees upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool gas' supplies.

Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through customer's meters that in the aggregate match the amount of gas transported by the pool operator to the Company's city gate.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on an hourly and daily basis. Hourly/daily operational information shall include information on hourly/daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator with its best estimate of hourly/daily gas deliveries for individual customer's and the pool's combined accounts.

In order to administer the provisions of this tariff and monitor customer's hourly/daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment, either through a lump sum payment, or at the Company's option, through a monthly facilities charge designed to reimburse the Company for the costs of such equipment. Customer will also be responsible for providing the Company with access to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The primary term of contract shall be a minimum of ten (10) years. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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By


Effective: April 3, 2006
Executive Director

RATE AS

POOLING SERVICE FOR INTERRUPTIBLE GAS TRANSPORTATION

AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT and special contract interruptible customers who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT and special contract interruptible customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its Rate IT and special contract interruptible transportation pool.

CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed a "Large Volume Customer Transportation Pooling Agreement" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company of a change at least ten (10) days prior to the start of a new month. In such agreements, the pool operator accepts the responsibility for meeting the aggregated daily and monthly gas delivery requirements of those large volume Rate IT and special contract interruptible transportation customers that comprise their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders ("OFOs"), monthly balancing requirements, monthly "cash outs," Duke Energy Ohio to Duke Energy Kentucky delivery charges, and the payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been settled or eliminated.

NET MONTHLY BILL

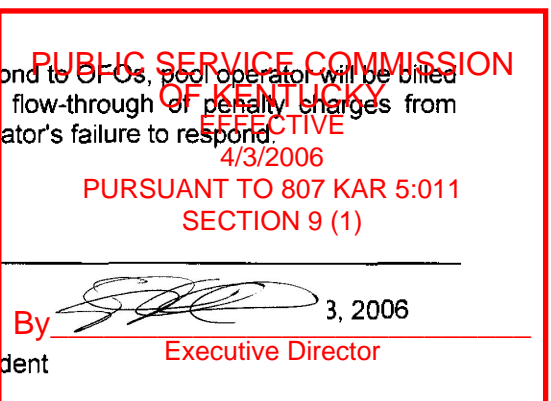
The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

1. In those instances where gas supplies are purchased from or sold to the Company under the monthly "cash-out" provision of Rate IMBS, the Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provisions of that tariff schedule.
2. In those instances where the pool operator has failed to respond to OFOs, pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipeline and gas suppliers, that can be attributed to pool operator's failure to respond.

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NET MONTHLY BILL (Contd.)

3. In those instances where the pool operator delivers gas into the Duke Energy Ohio pipeline system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

LATE PAYMENT CHARGES

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

Pool operators must enter written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Rules and Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

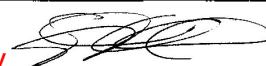
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3, 2006

Executive Director

RATE GTS

GAS TRADING SERVICE

AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT or under special contract arrangements, who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT, special contract arrangements, or under Rate FT-L customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool.

CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade. The pool operator offering to purchase, sell, or trade gas supplies must provide the following information for publication on the EBB:

- A) the pool operator's name,
- B) contact person and telephone number,
- C) quantities of gas available for purchase, sale or trade,
- D) other general text trade terms.

Daily imbalance trades or transfers must be made within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within four (4) business days following the end of the month.

Transactions will be completed when the pool operator(s) on both sides of a transaction, key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operators to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission.

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By 
Executive Director

RATE IMBS

INTERRUPTIBLE MONTHLY BALANCING SERVICE

AVAILABILITY

Interruptible monthly gas balancing service available (1) to customers receiving service under Rate FT-L, Rate IT and special contract interruptible transportation agreements who are acting as their own pool operator for supply management purposes, and (2) to pool operators designated by Rate FT-L, Rate IT and special contract interruptible transportation customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool operator shall aggregate the requirements of all of its pools' member customers and thereafter such aggregated pool shall be treated as a single customer for supply management purposes.

CHARACTER OF SERVICE

The service provided under this tariff is a "reasonable efforts," interruptible, gas balancing service that requires a general obligation by the pool operator to balance daily pool usage with pool deliveries into the Company's city-gate stations. It further provides that no daily imbalance charges or penalties will be levied on the pool operators, except when operational flow orders (OFO) have been issued. However, pool operators are under an ongoing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, and to strive to maintain relatively close daily balances and additionally closely track their daily loads throughout the month. For purposes of this tariff an OFO is as defined in Rate FRAS, Sheet No. 44. OFO's will be issued on an ongoing basis for pool operators who disregard their obligation to provide gas supplies in quantities that reasonably match their daily loads. OFO's shall be issued for operational reasons only. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, or storage or penalty costs incurred due to the violation. In addition, if the violations are part of a pattern of non compliance, or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usage of all customers within an individual pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its individual transportation pool(s).

SERVICE DESCRIPTION

Transportation customers who avail themselves of the service under this rate schedule must, with the agreement of their supplier, select a monthly imbalance carry over tolerance level from the following options:

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Effective ~~April 3, 2006~~ **April 3, 2006**

SERVICE DESCRIPTION (Contd.)

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput
		May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Pool operators who select one or more of the balancing services contemplated under this Rate IMBS shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level selected. Pool operators shall be subject to a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFO's have been issued, pool operators are required to operate on a "gas-in equals gas-out" basis. Any net imbalances on these OFO days may result in unauthorized overrun/underrun charges, or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Charges for Unauthorized Deliveries" provision of Rate IT, Interruptible Transportation Service. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash-outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer opportunities and related electronic bulletin board (EBB) services. Daily imbalance trades/transfer made through the Company's EBB must be completed within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be made within four (4) business days after the end of the month. The pool or pool operator receiving gas that has been traded or transferred will be billed a fee in accordance with Rate GTS for each transaction.

NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of:

- actual deliveries,
- plus or minus imbalance trades,
- plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- plus monthly imbalance carryover,
- minus actual metered usage on an aggregated pool basis, as adjusted for unaccounted for losses.

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the burner tip equivalent total aggregated pool deliveries for the month.

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

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NET MONTHLY BILL (Contd.)

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily operational flow orders except as provided above.
- (2) End of month "cash-out" charges for volumes over/under-delivered outside of pool operator's selected option tolerance levels, as follows:

DEFINITIONS

- (a) Over-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated metered usage for the month as adjusted for shrinkage back to the city-gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.
- (b) Under-deliveries are defined as monthly deliveries into the Company's city-gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated metered usage for the month, as adjusted for shrinkage back to the city-gate. Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city-gate. For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivered volumes, as measured at the burner tip.

SERVICE REGULATIONS

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Effective: April 3, 2006
Executive Director

RATE DGS

DISTRIBUTED GENERATION SERVICE

AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, GS, and FT-L.

CHARACTER OF SERVICE

The service provided under this tariff schedule is firm, on-demand, delivery service.

NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

Administrative Charge

A charge of \$25.00 per month shall be assessed for each account to which this service applies. Plus the applicable charge as set forth on Sheet No. 63, Rider AMRP, Accelerated Main Replacement Program

Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff. The minimum monthly capacity reservation charge shall be \$2.00 per installation.

Facilities Charge

The customer shall pay the amount specified in the service agreement.

Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

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Executive Director

TERMS AND CONDITIONS

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

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Executive Director

RIDER X

MAIN EXTENSION POLICY

AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when it is necessary to extend such main.

EXTENSION PLAN

1. Normal Extensions. An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.
2. Other Extensions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company will require the total cost of the excess footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

- (i) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded, including the amount determined under paragraph (ii), exceed the amount paid to the Company.
- (ii) Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage, an amount reflecting the positive impact of a subsequent connection or extension, by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.
3. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the applicant, who paid for the extension, a sum equivalent to the cost of one hundred (100) feet of the extension installed for each additional customer connected during the year, but in no case shall the total amount refunded over the ten (10) year period exceed the amount paid to the Company. There shall be no refunds after the end of the said ten (10) year period.

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EXTENSION PLAN (Contd.)

4. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Kentucky Public Service Commission.
5. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgement so dictate, provided like free extensions are made to other customers under similar conditions.
6. Upon complaint to and investigation by the Kentucky Public Service Commission, the Company may be required to construct extensions greater than one hundred (100) feet upon a finding by the Commission that such extension is reasonable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

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Executive Director

RIDER DSM

DEMAND SIDE MANAGEMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to service rendered under the provisions of Rates RS (residential class), GS, and FT (non-residential class).

CHARGES

The monthly amount computed under each of the rate schedules to which this rider is applicable shall be increased or decreased by the DSM Charge at a rate per hundred cubic feet (CCF) of monthly consumption in accordance with the following formula:

$$\text{DSM Charge} = \text{PC} + \text{LR} + \text{PI} + \text{BA}$$

Where: **PC = DSM PROGRAM COST RECOVERY.** For each twelve month period, the PC shall include all expected costs for demand-side management programs which have been approved by a collaborative process. Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the PC. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated avoided pipeline capacity and commodity costs resulting from each program.

The PC applicable to the residential class shall be determined by dividing the cost of approved programs allocated or assigned to the residential class by the expected CCF throughput for the upcoming twelve-month period. Similarly, the cost of approved programs assigned to the non-residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PC applicable to the non-residential rate class.

LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. Revenues from lost throughput due to DSM programs will be recovered through the decoupling of revenues from actual throughput of the residential class. At the end of each twelve-month period after implementation of the DSM Charge, the non-variable revenue requirement (total revenue requirement less variable costs) for the residential class for ULH&P's most recent twelve month period will be adjusted to reflect changes in the number of customers and the usage per customer as follows: (1) the non-variable revenue requirement will be multiplied by the factor obtained by dividing the twelve month average number of customers at the end of the current twelve-month period by the twelve month average number of residential customers at the end of the twelve-month period ending December 1994, and (2) the non-variable revenue requirement will be multiplied by a factor "F_g" calculated by the following formula:

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Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
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4/3/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Effective: April 3, 2006


Executive Director

LR = LOST REVENUE FROM DECREASED THROUGHPUT RECOVERY. (Contd.)

$$F_g = (1 + g)^{n/12}$$

Where: g = Growth factor - recalculated annually based on the most recent eleven years of actual customer data. Initially " g " shall be set at -0.0156; and
 n = the number of months from December 1994 to the end of the current twelve-month period.

At the end of each twelve-month period after implementation of the DSM Charge, the difference between the actual non-variable revenue billed during the twelve-month period and the adjusted non-variable revenue requirement, as described above, will be determined. This difference ("LR amount established for the twelve-month period") will be divided by the estimated CCF throughput for the upcoming twelve-month period to determine the LR for the residential class.

The LR applicable to the non-residential class shall be computed by 1) multiplying the amount of CCF throughput that will be lost for each twelve-month period as a result of the implementation of the approved programs times the CCF throughput charge for the applicable rate schedule, less the variable cost included in the charge; and, 2) dividing that product by the expected CCF throughput for the upcoming twelve-month period. The lost revenue attributable to decreased throughput to the non-residential class due to approved programs will be calculated through estimates agreed upon by the collaborative process, which may include engineering estimates, of the level of decreased throughput. Recovery of revenues from decreased throughput calculated for a twelve-month period for non-residential rate classes shall be included in the LR until January 1, 2000 or until terminated by the implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from such decreased throughput will be assigned for recovery purposes to the rate classes whose programs resulted in the decreased throughput.

PI = DSM PROGRAM INCENTIVE RECOVERY. The DSM Program Incentive (PI) amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent. Net resource savings are defined as program benefits less the cost of the program, where program benefits will be calculated on the basis of the present value of Duke Energy Kentucky's avoided gas costs over the expected life of the program, and will include both capacity and commodity savings. The DSM incentive amount related to programs for the residential class shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. The PI amount related to programs for the non-residential class rates shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the PI for that rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

BA = DSM BALANCE ADJUSTMENT. The BA is used to reconcile the difference between the amount of revenues actually billed through the respective DSM Charge components; namely, the PC, LR, and PI and previous BA, and the revenues which should have been billed, as follows:

- (1) For the PC, the balance adjustment amount will equal the difference between the amount billed in a twelve-month period from the application of the PC unit charge and the actual cost of the approved programs during the same twelve-month period.

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4/3/2006**

**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

Effective: April 3, 2006


Executive Director

BA = DSM BALANCE ADJUSTMENT (Cont'd.)

- (2) For the LR applicable to the residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from the application of the LR unit charge and the LR amount established for the same twelve-month period.

For the LR applicable to the non-residential class, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the LR unit charge and the amount of lost revenues determined for the actual DSM program, or measures implemented during the twelve-month period.

- (3) For the PI, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the PI unit charge and the incentive amount determined for the actual DSM program, or measures implemented during the twelve-month period.
- (4) For the BA, the balance adjustment amount will equal the difference between the amount billed during the twelve-month period from application of the BA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined above shall include interest. The interest applied to the monthly amounts, shall be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of balance adjustment amounts shall be divided by the expected CCF throughput for the upcoming twelve-month period to determine the BA. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over or under-recoveries of DSM amounts were realized.

All costs recovered through the DSM Charge will be assigned or allocated to Duke Energy Kentucky's electric or gas customers on the basis of the estimated net electric or gas resource savings resulting from each program.

DSM CHARGE FILINGS

The filing of modifications to the DSM Charge shall be made at least thirty days prior to the beginning of the effective period for billing. Each filing will include the following information as needed:


- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of each component of the DSM Charge.

Each change in the DSM Charge shall be applied to customers' bills with the first billing cycle of the revenue month which coincides with, or is subsequent to, the effective date of such change.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

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SECTION 9 (1)
Effective: April 3, 2006

Executive Director

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Gas No. 1
Original Sheet No. 61
Page 4 of 4

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
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EFFECTIVE
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SECTION 9 (1)**

 April 3, 2006

Executive Director

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Gas No. 1
First Revised Sheet No. 62
Cancels and Supersedes
Original Sheet No. 62
Page 1 of 1

RIDER DSMR

DEMAND SIDE MANAGEMENT RATE

The Demand Side Management Rate (DSMR) shall be determined in accordance with the provisions of Rider DSM, Demand Side Management Cost Recovery Rider, Sheet No. 61 of this Tariff.

The DSMR to be applied to residential customer bills beginning with the May 2006 revenue month is \$0.0141952 per hundred cubic feet.

Beginning with the February 2006 revenue month, an Energy Assistance Program (EAP) charge of \$0.10 will be applied monthly to residential customer bills through December 2006. The Company may, with prior Commission approval, extend this program through 2007.

The DSMR to be applied to non-residential service customer bills beginning with the May 2006 revenue month is \$0.00 per hundred cubic feet.

Issued by authority of an Order by the Kentucky Public Service Commission dated April 1, 2006 in Case No. 2005-00402.

Issued: April 27, 2006


Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
EFFECTIVE
5/1/2006
EFFECTIVE May 1, 2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director

RIDER AMRP

ACCELERATED MAIN REPLACEMENT PROGRAM RIDER

APPLICABILITY

Applicable to all customers receiving service under the Company's sales and transportation rate schedules.

CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT

The AMRP Rider revenue requirement includes the following:

- a. AMRP-related Plant In-Service not included in base gas rates minus the associated AMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to AMRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the AMRP-related Plant In-Service less retirements and removals; and;
- e. Reduction for savings in Account No. 887 – Maintenance of Mains.

ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate RS, Rate GS and Rate DGS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the bare steel/cast iron main replacement program. Customers receiving service under Rate FT-L, Rate IT and Rate SSIT will be assessed a throughput charge in addition to their commodity delivery charge, for that purpose.

Rider AMRP will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the most recent twelve months ended December. Such adjustments to the Rider will become effective with the first billing cycle of June, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

The charges for the respective gas service schedules for the revenue month beginning October 2005 is:

Rate RS, Residential Service	\$0.00/month
Rate GS, General Service	\$0.00/month
Rate DGS, Distributed Generation Service	\$0.00/month
Rate FT-L, Firm Transportation Service – Large	\$0.0000/CCF
Rate IT, Interruptible Transportation Service	\$0.0000/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$0.0000/CCF

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Issued by Sandra P. Meyer, President

PUBLIC SERVICE COMMISSION

OF KENTUCKY

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**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By



Executive Director

RIDER MSR-G

MERGER SAVINGS CREDIT RIDER – GAS

APPLICABILITY

Applicable to all customers receiving gas service under the Company's sales service and transportation schedules excluding Interdepartmental sales.

MERGER SAVINGS RIDER CREDIT FACTORS

The applicable commodity charges for gas service shall be decreased monthly by the amounts stated below on a volumetric basis to reflect the sharing of the merger savings, net of merger costs, per the merger savings sharing plan approved by the Commission in Case No. 2005-00228. This Rider shall take effect at the start of the first billing cycle which occurs 30 or more days following merger closing. This Rider shall remain in effect for 60 months or until the effective date of new rates established by the Company's next gas base rate case provided such date is later than January 1, 2008.

<u>Rate Groups</u>	<u>Rate</u> \$/CCF
Rate RS, Residential Service	0.0020
Rate GS, General Service	0.0008
Rate DGS, Distributed Generation Service	0.0000
Rate FT-L, Firm Transportation Service	0.0007
Rate IT, Interruptible Transportation Service	0.0003
Rate SSIT, Spark Spread Interruptible Transportation Rate	0.0000


SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
Effective: May 1, 2006
**EFFECTIVE
5/1/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**
By 
Executive Director

GAS COST ADJUSTMENT CLAUSE

APPLICABILITY

The charge to each customer for the cost of gas shall be the appropriate Gas Cost Adjustment Rate applied to the customer's monthly consumption. This charge is applicable to all Company sales that are under the jurisdiction of the Kentucky Public Service Commission (Commission).

DETERMINATION OF GCA

The Company, unless otherwise ordered by the Commission, shall file a quarterly report with the Commission which shall contain an updated gas cost adjustment rate (GCA) and shall be filed at least thirty (30) days prior to the beginning of the billing period.

The GCA is comprised of:

- (1) The expected gas cost component (EGC) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which represents the average cost of gas supplies including propane.
- (2) The supplier refund adjustment (RA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period, less 1/2 of 1 percent to cover the cost of refunding.
- (3) The actual adjustment (AA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any previous over or under collections of gas cost experienced by the Company through the operation of this gas cost recovery procedure.
- (4) The balance adjustment (BA) on a dollar per Mcf basis, rounded to the nearest 0.1 cent, which compensates for any over or under collections which have occurred as a result of prior adjustments.

HEDGING PLAN

In accordance with the approved hedging plan, Duke Energy Kentucky will utilize fixed price contracts without cost averaging and no-cost collars for gas purchases within the range of volumes defined in the plan for up to eighteen (18) months from the time of the transaction. On or before each May 15, the Company shall file a report of its hedging activities for the twelve (12) months ended the previous March 31 that also identifies all existing hedging arrangements for future purchases.

BILLING

The gas cost recovery rate to be applied to the customers' bills shall equal the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{AA} + \text{BA}$$

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Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/3/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By  006
Executive Director

DEFINITIONS

For purposes of this tariff:

- (A) "Average Cost" means the cost of gas supplies, including associated transportation and storage charges and propane, which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the three (3) month period, on purchased volumes during the twelve month period ending with the reporting period, divided by the corresponding sales volume. This includes the cost of all gas supplies acquired through hedging instruments, including the cost of the hedging instruments themselves, acquired under a hedging plan approved by the Commission and under the terms and conditions of this tariff.
- (B) "GCA" means the sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment; i.e., $GCA = EGC + RA + AA + BA$.
- (C) "Billing period" means each of the four three-month periods of (1) December, January, and February; (2) March, April, and May; (3) June, July, and August; (4) September, October, and November.
- (D) "Reporting Period" means the three (3) month accounting period that ended approximately fifty-five days prior to the filing date of the updated gas cost adjustment rates.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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4/3/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By  006
Executive Director

Duke Energy Kentucky
1697-A Monmouth Street
Newport, Kentucky 41071

KY.P.S.C. Gas No. 1
First Revised Sheet No. 77
Cancelling and Superseding
Original Sheet No. 77
Page 1 of 1

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be \$0.03860 per 100 cubic feet. This rate shall be in effect during the month of June 2006 through August 2006 and shall be updated quarterly, concurrent with the Company's GCA filings.

Issued by authority of an Order of the Kentucky Public Service Commission dated ~~May 22, 2006~~ ^{May 23, 2006} in Case No. 2006-00196.

Issued: May 23, 2006

Issued by Sandra P. Meyer, President

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OF KENTUCKY
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PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

Effective: May 31, 2006

Executive Director

BAD CHECK CHARGE

APPLICABILITY

Applicable to all customers in the Company's gas service area.

CHARGE

The Company may charge and collect a fee of \$11.00 to cover the cost of handling an unsecured check, where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the bank for any reason.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

Effective: April 3, 2006

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OF KENTUCKY**

EFFECTIVE

4/3/2006

**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 

Executive Director

CHARGE FOR RECONNECTION OF SERVICE

APPLICABILITY

Applicable to all customers in the Company's entire service area who are in violation of Rule 3, Company's Right to Cancel Service Agreement or to Suspend Service, of the Company's Gas Service Regulations.

CHARGE

The Company may charge and collect in advance the following:

- A. The reconnection charge for service which has been disconnected due to enforcement of Rule 3 shall be twenty-five dollars (\$25.00).
- B. The reconnection charge for service which has been disconnected within the preceding twelve months at the request of the customer shall be twenty-five dollars (\$25.00).
- C. If service is discontinued because of fraudulent use thereof, the Company may charge and collect in addition to the reconnection charge of twenty-five dollars (\$25.00) the expense incurred by the Company by reason of such fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service.
- D. If both the gas and electric services are reconnected at one time, the total charge shall not exceed thirty-eight dollars (\$38.00).

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**
Effective: April 3, 2006
4/3/2006
**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 
Executive Director

LOCAL FRANCHISE FEE
APPLICABLE TO ALL RATE SCHEDULES

There shall be added to the customer's bill, listed as a separate item, an amount equal to the fee now or hereafter imposed by local legislative authorities, whether by ordinance, franchise or other means, which fee is based on the gross receipts collected by the Company from the sale of gas to customers within the boundaries of the particular legislative authority. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee.

Where the local legislative authority imposes a flat, fixed amount on the Company, the fee applied to the bills of customers receiving service within the territorial boundaries of that authority, shall be in the form of a flat dollar amount.

Where more than one such fee is imposed, each of the charges applicable to each customer shall be added to the customer's bill and listed separately.

The amount of such fee added to the customer's bill shall be determined in accordance with the terms of the ordinance, franchise or other directive agreed to be the Company.

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Issued by Sandra P. Meyer, President

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SECTION 9 (1)**

By 
Executive Director

**CURTAILMENT PLAN FOR
MANAGEMENT OF
AVAILABLE GAS SUPPLIES**

AVAILABILITY

Available in entire territory to which tariff Ky.P.S.C. Gas No. 1 applies.

APPLICABILITY

In the event of an emergency which necessitates curtailment of gas service, Duke Energy Kentucky shall curtail gas service to its customers in the manner set forth herein, except where the Public Service Commission of Kentucky (Commission) or other authority having jurisdiction in the matter orders otherwise.

DEFINITIONS

Special Gas Service Contract Customers:

A customer who purchases gas, off-peak and firm, under a Special Gas Service Contract. Such a customer shall not qualify as a Domestic or Non-Domestic Customer.

Domestic Customers:

Customers which use gas in private homes, boarding houses, apartment houses, hotels, motels, restaurants, food processors, hospitals and places of like kind where the element of human welfare is the predominating requirement.

Non-Domestic Customers:

All other customers not defined as Domestic Customers or Special Gas Service Contract Customers.

Winter Period:

The consecutive customer billing months of November and December, of one year and the months of January, February and March in the next year.

Summer Period:

The consecutive customer billing months of April, May, June, July, August, September and October.

Winter Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of January, February, March, November and December of 1972.

Summer Base Volumetric Limitation:

A Non-Domestic Customer's total gas usage during the billing months of April, May, June, July, August, September and October of 1972.

Adjusted Winter Volumetric Limitation:

A Non-Domestic Customer's winter base volumetric limitation for the gas usage during a winter period as adjusted from time to time by Duke Energy Kentucky to reflect pro rata curtailment.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

**4/3/2006
PURSUANT TO ORDER OF THE
EFFECTIVE April 3, 2006
SECTION 9 (1)**

By 
Executive Director

DEFINITIONS (Contd.)

Adjusted Summer Volumetric Limitation:

A Non-Domestic Customer's summer base volumetric limitation for the gas usage during the summer period as adjusted from time to time by Duke Energy Kentucky to reflect pro rata curtailment.

ORDER OF CURTAILMENT

- (1) The Special Gas Service Contract Customer will be curtailed to the extent of its off-peak usage limitation noted in the customer's contract whenever:
 - (a) Duke Energy Kentucky cannot supply the Special Gas Service Contract customer its full requirements in excess of such customer's Contract Demand without incurring penalties under tariffs of Duke Energy Kentucky's supplier, or without having to purchase additional volumes of gas at premium rates, or without Duke Energy Kentucky operating its peak load manufacturing facilities.
 - (b) Duke Energy Kentucky's supplier curtails delivery and as a result Duke Energy Kentucky determines that it cannot supply the total requirements of its customers.

The off-peak gas of the Special Gas Service Contract Customer shall be fully curtailed before curtailment is imposed upon other customers; however, since all the contracted for firm gas is considered necessary for plant protection, it will not be curtailed prior to other customer curtailment.

- (2) Where additional curtailment is necessary after full curtailment of the off-peak of the Special Gas Service Contract Customers, Duke Energy Kentucky shall, after giving reasonable notice, curtail those Non-Domestic Customers which use 50,000 cubic feet or more of gas per day on a pro rata basis by adjusting their Winter and/or Summer Base Volumetric Limitations downward to the extent necessary to limit the total usage to the gas supply available to Duke Energy Kentucky. The resulting volumes will be the Non-Domestic Customer's adjusted Winter and/or Summer Volumetric Limitation. For plant protection the adjusted Winter and Summer Volumetric Limitations shall not be less than 20% of the respective Winter and Summer Base Volumetric Limitation. A Non-Domestic Customer consuming over 50,000 cubic feet or more of gas per day and having more than one metering location may, upon mutual agreement with Duke Energy Kentucky, combine his adjusted Volumetric Limitation at one or more locations only for curtailment purposes. Such customer must notify Duke Energy Kentucky in writing and receive Duke Energy Kentucky's written consent of the accounts to be effected and the volumes to be combined.
- (3) Where additional curtailment of gas service is necessary, after curtailment in curtailment with paragraph (2) above, then gas service to Non-Domestic Customers using under 50,000 cubic feet of gas per day shall be curtailed on a pro rata basis in the same manner provided in the above paragraph (2).
- (4) Where additional curtailment is necessary the Domestic Customer will then be curtailed on a pro rata basis.

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Issued:

Issued by Sandra P. Meyer, President

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SECTION 9 (1)

By 
Executive Director

CARRY-OVER AND ADJUSTMENT OF BASE VOLUMETRIC LIMITATION

No carry-over of volumes will be permitted from the Winter to Summer Period or from the Summer to Winter Period. In the establishment of the Winter and Summer Base Volumetric Limitations a customer may request an investigation as to the proper maximum volumes so determined. If such investigation discloses that the volumetric limitations do not reasonably reflect the normal usage of his equipment that was connected in 1972 or authorized by Duke Energy Kentucky to be installed at a later date, such limitation will be adjusted accordingly. Such request must be made within 60 days of the approval of this curtailment plan and absent such a request the Base Volumetric Limitations will not be subject to any increase.

PENALTIES

Special Gas Service Contract Customers will be subject to penalties as set forth in their contract. As to the Non-Domestic Customers, after the end of the Winter Period and Summer Period the actual gas usage of each Non-Domestic Customer for the period during which curtailment was required shall be compared respectively to the Adjusted Winter and Summer Volumetric Limitations, and in addition to the Non-Domestic Customer's regular monthly bill, a penalty shall be charged if such usage exceeds the respective Adjusted Winter or Summer Volumetric Limitation. The penalty amount will be based on the same penalty rate applicable to Duke Energy Kentucky from its sold supplier of natural gas, the Columbia Gas Transmission Corporation. As of June 1, 1975 the penalty as stated in the Columbia Gas Transmission Corporation's FPC filed tariff is ten dollars (\$10.00) for each 1,000 cubic feet overrun.

ACTION FOR EXCESSIVE USAGE

During periods of curtailment, where it appears to Duke Energy Kentucky through its procedure of monitoring monthly usage of Non-Domestic Customers being curtailed, that a Non-Domestic Customer's usage will significantly exceed his adjusted Winter or Summer Volumetric Limitation, Duke Energy Kentucky will give such customer notice to cease such excessive usage and, in the event such customer does not cease, Duke Energy Kentucky may disconnect gas service to such customer.

PENALTY REFUND

Penalties collected from Duke Energy Kentucky's customers will be added to the refunds received from Duke Energy Kentucky's supplier and held for redistribution and shall be refunded to all customers in accordance with Duke Energy Kentucky's gas cost adjustment provision. If Duke Energy Kentucky incurred penalties from its supplier as a result of volumetric overruns, the amount of such penalties shall be subtracted from the total penalties collected by Duke Energy Kentucky from its customers to determine the amount of penalties to be refunded.

BILLING OF PENALTIES

Penalties, as provided above, shall be reflected in the customers service bill for the Winter Period on the May bill and for the Summer Period on the December bill. Five percent (5%) will be added to the penalty amount if not paid on or before fourteen (14) calendar days after mailing date of the bill.

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Issued by Sandra P. Meyer, President

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OF KENTUCKY**

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4/3/2006

PURSUANT TO 807 KAR 5-011

SECTION 9 (1)

By


Executive Director

EMERGENCIES

In the event of a short-term emergency situation where immediate deliveries of additional gas are needed to prevent irreparable injury to life or property of an existing customer, Duke Energy Kentucky shall, at its option, have the right to deliver additional volumes of gas to meet such emergency needs in excess of any limited volumes specified herein, without imposition of penalties where the emergency volumes are repaid by reduction of future gas purchases by the customer within ninety (90) days after termination of the emergency period.

EXEMPTION

No exemptions from this Plan, other than emergency deliveries, as defined above, shall be granted except by Order of the Commission, directly through its duly designated Staff, or other authority having jurisdiction in this matter.

AMENDMENT, MODIFICATION OR CLARIFICATION

Due to governmental order or rapid changes in gas supply it may be necessary to amend, modify or clarify this Curtailment Plan. This Plan may be so amended, modified or clarified by filing a Motion with the Commission.

AVAILABILITY OF THE PLAN

Copies of this Plan, together with the address and telephone number of the Commission shall be kept at each business office of Duke Energy Kentucky and shall be made available to any customer upon request.

Issued by authority of the Kentucky Public Service Commission.

Issued:

Issued by Sandra P. Meyer, President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

4/3/2006
PURSUANT TO PAR 52006
Effective April 3, 2006
SECTION 9 (1)

By 
Executive Director



Account Number 1212-1212-12-4

80 21

Due Date	Amount Due
mmm dd, yyyy	\$ 78.79

\$ _____ \$ _____

WinterCare Contribution
(for Customer Assistance)

Amount Enclosed

Current Customer
12345 Your Street
Your City ST 12345-1234

PO Box 9001076
Louisville KY 40290-1076

200 00000078794 12121212124 mmmddyyyy2 00000080867

Page 1 of 2

Name/Service Address	For Inquiries Call	Account Number
Current Customer 12345 Your Street Your City ST 12345-1234	Duke Energy 1-800-123-4567	1212-1212-12-4

Mail Payments To	Account Information
PO Box 9001076 Louisville KY 40290-1076	Payments after mmm dd not included Last payment received mmm dd Bill Prepared on mmm dd, yyyy Next meter reading mmm dd, yyyy

Urgent Messages are printed in this section of the bill with a box around the message text.

Meter	Number	Reading Date From	To	Days	Meter Reading Previous	Present	Usage
Gas	111111111	mmm dd	mmm dd	30	1975	1993	18
Elec	222222222	mmm dd	mmm dd	30	21202	21789	587

Gas - Residential	
Usage - 18 CCF	
Duke Energy - Rate RS	\$ 33.20
Current Gas Charges	\$ 33.20
Gas Cost Recovery Chrg: x.xxxxxxxx/CCF	

Electric - Residential	
Usage - 587 kWh	
Duke Energy - Rate RS	\$ 41.34
Current Electric Charges	\$ 41.34

Taxes	
Taxes	\$ 4.25

Current Billing	
Balance - Previous Bill	\$ 100.87
Payment(s) Received	100.87 cr
Balance Forward	0.00
Current Gas Charges	\$ 33.20
Current Electric Charges	41.34
Taxes	4.25
Current Amount Due	\$ 78.79

Printed on recycled paper and is recyclable.

Non-Urgent Bill Messages appear in this section of the bill

Due Date
mmm dd, yyyy

Amount Due
After SECTION 9(1) mmm dd, yyyy pay

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

4/3/2006

PURSUANT TO 807 KAR 5:011

SECTION 9(1)

By

Executive Director



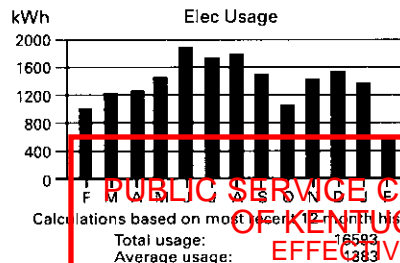
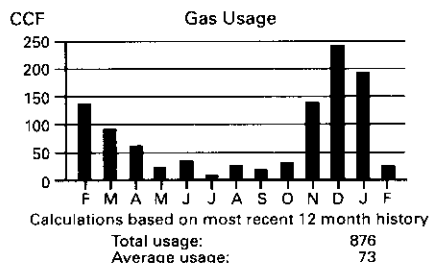
visit us at www.duke-energy.com

Name	Service Address	Account Number
Current Customer	12345 Your St Your City ST 12345-1234	1212-1212-12-4

Explanation of Current Charges		
Gas Meter # 11111111 CCF Usage - 18 mmm dd - mmm dd 30 Days	Duke Energy Rate RS - Residential Service Customer Charge \$ xx.xx Gas Delivery Charge 18 CCF @ \$ x.xxxxxxx x.xx Gas DSM Rider 18 CCF @ \$ x.xxxxxxx x.xx Gas Cost Recovery 18 CCF @ \$ x.xxxxxxx xx.xx Total Current Gas Charges	 \$ xx.xx
Electric Meter # 22222222 kWh Usage 587 mmm dd - mmm dd 30 Days	Duke Energy Rate RS - Residential Svcs-xxxxxxx Customer Charge \$ x.xx Energy Charge 587 kWh @ \$ x.xxxxxxx xx.xx Elec DSM Rider 587 kWh @ \$ x.xxxxxxx x.xx Elec Fuel Adjustment 587 kWh @ \$ x.xxxxxxx x.xx cr Total Current Electric Charges	 \$ xx.xx

Explanation of Taxes		
Taxes	Rate Incr for School Tax \$ x.xx	\$ x.xx
	Total Taxes	\$ x.xx

Printed on recycled paper and is recyclable.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Gas	143	87	58	24	38	7	27	1	29	142	238	191	18
Electric	1025	1209	1211	1478	1855	1689	1698	1528	1035	1376	1675	152	587

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**
EFFECTIVE
 4/3/2006
 PURSUANT TO 80 KAR 3.011
 SECTION 3(1)

By Executive Director

visit us at www.duke-energy.com

Bill Payment Made Easy

e-Bill - View and pay your bill for free at www.duke-energy.com

BillPayer 2000® - Automatically pay from your checking account for 30¢/transaction - enroll at 1-800-991-7771

Speedpay® - Pay by phone at 1-877-596-5068 with credit card or check for \$3.95/transaction

EXPLANATION OF ESTIMATED CHARGES

Meters are scheduled to be read monthly. Regular meter readings are essential for accurate billing. When we are unable to read a meter, the usage is estimated based on previous bills. An estimated read will be considered the same as an actual read.

PAYMENT OF BILLS

In order to avoid paying a late charge, please mail your payment to Duke Energy several days before the due date. Or, if you prefer, you may pay by phone through Speedpay, pay online with e-Bill, or pay automatically through BillPayer 2000®. Payments can also be made at a Duke Energy office or Pay Station location. For more information about our bill payment options, please visit us at www.duke-energy.com or call 1-800-544-6900.

Disconnection of your utility service(s) will not result from failure to pay any non-tariffed or non-regulated products or services.

LATE PAYMENT CHARGE INFORMATION

You can avoid a late payment charge if you pay your current month's charges plus at least \$5.00 on any past due balance. However your payment must be received in a Duke Energy office by the DUE DATE shown on your current bill.

Please note, any unpaid past due balance remains subject to collection efforts, including possible disconnection of services.

EXPLANATION OF BILL LANGUAGE

(The following terms will not appear on every bill)

BBP Cycle	Period of time used to calculate the current Budget Billing monthly installment amount.
CCF	Gas usage, measured in hundreds of cubic feet.
CR	Credited amount.
Current Gas Charges	Total of all charges based on gas usage during the current billing period.
Customer Charge	Charge for administrative costs, including meter reading, billing, and collecting. The Customer Charge for each service includes 10 cents for an energy assistance program approved by the Public Service Commission.

Elec. Rate	Code that identifies the rate used to determine the Electric Usage Charge.
EST or E	Estimated Meter Read.
Gas Rate	Code that identifies the rate used to determine the Gas Usage Charge.
kWh	Electric usage measured in Kilowatt-hours.
Late Payment	Additional charge added to the bill if Amount To Pay is not received in full by the due date.
Meter Multiplier	Constant number that the meter reading usage is multiplied by to obtain the energy usage.
Usage	Amount of energy used during the billing period.

GAS COST INFORMATION

The GAS COST ADJUSTMENT (GCA) rate is the cost (per 100 cubic feet) of gas we purchase from our suppliers. This rate varies periodically as gas prices to us increase or decrease. Duke Energy makes no profit on this charge since it is based on the actual cost we pay our suppliers for the gas we purchase and resell. The GCA amount is included in your total bill as an addition to the Gas Usage Charge, which covers our normal operating expenses for delivering gas to you.

ELECTRIC COST INFORMATION

The ELECTRIC FUEL ADJUSTMENT (EFA) rate is the increase or decrease (since determination of the Base Period Fuel Cost) in the cost of fuel purchased from our supplier and used to generate electricity. The EFA rate is computed monthly according to a formula established by the Kentucky Public Service Commission. Duke Energy makes no profit on the EFA since it is based on the actual cost of fuel used to generate electricity. The amount of the EFA is included in your total bill.

BILLING OR SERVICE INQUIRIES

If you have a question about your bill or service, call us at (513) 421-9500, or from a toll free area call 1-800-544-6900. You may also write to our Customer Services Department at P.O. Box 960, Mail Drop 309C, Cincinnati, OH 45201, contact us by fax at (513) 287-2376, or e-mail us at www.duke-energy.com. Rate schedules and service regulations are available upon request.

BUSINESS HOURS

OFFICE HOURS:

Cincinnati - 8:00 a.m. - 5:00 p.m. Monday - Friday
Newport - 8:00 a.m. - 5:00 p.m. Monday - Friday

SERVICE EMERGENCY NUMBERS

Gas Trouble - (513) 651-4466 OR 1-800-634-4390
Electric Trouble - (513) 651-4182 OR 1-800-543-5599

PUBLIC SERVICE COMMISSION

KENTUCKY

OFFICE OF THE

EXECUTIVE DIRECTOR

4/3/2006

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By



Executive Director